

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF SOUTH CENTRAL BELL)	
TELEPHONE COMPANY FOR CONFIDENTIAL)	
TREATMENT OF INFORMATION FILED IN)	
SUPPORT OF ITS PROPOSED TARIFF TO)	
REPRICE MEGALINK CHANNEL SERVICE)	CASE NO. 92-481
AND LIGHTGATE SERVICE)	
CHANNELIZATION ELEMENTS, AND)	
RESTRUCTURE OF THE ACCESS SERVICE)	
MULTIPLEXER)	

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. d/b/a South Central Bell Telephone Company ("South Central Bell") filed November 13, 1992 pursuant to 807 KAR 5:001, Section 7, for confidential protection of the highlighted portions of the cost study contained in Attachments A, D, and E on the grounds that disclosure of the information is likely to cause South Central Bell competitive injury and upon motion of the same date filed pursuant to 807 KAR 5:001, Section 14, to deviate from the filing requirement of Sections 10(1)(a) and 10(1)(c) of 807 KAR 5:001 and Section 8(1) of 807 KAR 5:011 on the grounds that such deviation will not adversely affect the rights of interested parties, and it appearing to this Commission as follows:

In this proceeding, South Central Bell proposes to offer a new price structure for its "MegaLink Channel Service" and "LightGate Service." In support of its proposal, South Central Bell has filed a cost study which it seeks to protect as

confidential. The information sought to be protected is not known outside of South Central Bell and is disseminated within South Central Bell to only those employees who have a legitimate business need to know and act upon the information. South Central Bell seeks to preserve and protect the confidentiality of the information through all appropriate means, including the maintenance of appropriate security at its offices.

KRS 61.872(1) requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from this requirement are provided in KRS 61.878(1). That section of the statute exempts 11 categories of information. One category exempted in subparagraph (c) of that section is commercial information confidentially disclosed to the Commission. To qualify for that exemption, it must be established that disclosure of the information is likely to cause substantial competitive harm to the party from whom the information was obtained. To satisfy this test, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

MegaLink Channel Service and LightGate Service are dedicated services for which South Central Bell faces competition from providers of private microwave systems, fiber networks, small satellite systems, and interexchange carriers. The cost study information sought to be protected could be used by potential

competitors to analyze market potential at the expense of South Central Bell. Therefore, disclosure of the information is likely to cause South Central Bell competitive injury and the information should be protected as confidential.

807 KAR 5:001, Sections 10(1)(a) and 10(1)(c), require any utilities seeking to adjust any rate to file a financial exhibit and a description of its property. Additionally, 807 KAR 5:011, Section 8, requires utilities to notify customers in the manner prescribed of any rate adjustment it proposes. 807 KAR 5:001, Section 14, and 807 KAR 5:011, Section 14, permit the Commission to allow utilities to deviate from these requirements for good cause.

The proposed rate adjustment will increase the rates for only two customers of South Central Bell. These customers have been notified by letter which identifies the affected facilities and specifies the amount of the increase. Further, the earnings and rates of South Central Bell are the focus of continual review by this Commission in Case No. 90-256.¹ Therefore, the deviation from the requirements of Sections 10(1)(a) and 10(1)(c) of 807 KAR 5:001 and Section 8(1) of 807 KAR 5:011 will not adversely affect the customers of South Central Bell and should be allowed.

¹ Case No. 90-256, A Review of the Rates and Charges and Incentive Regulation Plan of South Central Bell Telephone Company.

This Commission being otherwise sufficiently advised,

IT IS ORDERED that:

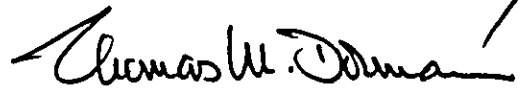
1. The cost study information provided in Attachments A, D, and E to South Central Bell's request, which South Central Bell has petitioned be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

2. South Central Bell shall be permitted in these proceedings to deviate from the requirements of 807 KAR 5:001, Sections 10(1)(a) and 10(1)(c), and from 807 KAR 5:011, Section 8(1).

Done at Frankfort, Kentucky, this 14th day of December, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director